

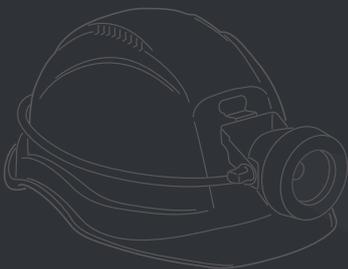
Wallarrah 2 Coal Project

Environmental Impact Statement

April 2013

Appendix D

Stakeholder Engagement





Newsletter Number 15 - Spring 2011

www.wallarah.com.au



New studies underway

The Wallarah 2 Coal Project is undertaking further studies in anticipation of lodging a new project application mid 2012.

This follows a review of the previous application that was refused by the former Minister for Planning, Tony Kelly. His decision contradicted the advice of the independent Planning Assessment Commission.

One of the key factors in the project team's decision to continue the process was the Department's report to the Minister, which confirmed that the risk to the region's water supply from the project was negligible.

It is also worth noting that the Department of Planning's March 2011 report left open the prospect of a future approval: *"whilst the Department considers that coal mining could potentially be carried out, the Department is unable to support approval at this point in time."*

The project team has assessed the reasons for refusal, which mainly relate to a lack of detailed information about subsidence, ecology and archaeology impacts in the most westerly area of the mine plan.

Additional studies are now being completed on:

1. **Subsidence predictions in the western area of the mine plan**
2. **Ecological impacts in the western area**
3. **Heritage impacts in the western area**
4. **Surface water management (on the Tooheys Road site)**

Each of these matters will be comprehensively addressed in a new Environmental Impact Statement.

Throughout this process, the project team will continue to consult with the community and respond to any questions you may have.

WATER: THE FACTS

Refusal not about water supply

The project's refusal by former Minister for Planning, Tony Kelly, was not about any impact on the region's water supply.

The Minister's written decision did not cite water supply among the reasons for refusal.

This was because four separate assessments concluded that any potential impacts from the proposed mine on the region's water supply system were minimal and that none justified refusal.

These studies were:

- An independent water review
- An international peer review
- The NSW Planning Assessment Commission
- The Department of Planning's own assessment, which said in part: ***"... the department considers the risk to the Central Coast water supply as a result of the project to be minimal and manageable."***

Potential impacts on water supply and dust/noise matters were the two most raised issues in community submissions.

The Planning Assessment Commission recommended around 40 conditions to accompany the approval all of which were reasonable for a project of this scale.



Tooheys Road Site
Artist's impression ©2010

An independent overview

The following table provides a brief overview of the assessment of the Wallarah 2 Coal Project published by the Department of Planning in March 2011. Studies are now underway covering the areas where the Environmental Assessment (EA) or Ministerial project refusal recommended more work be completed.

The comments and findings included in the table provide a snapshot of the key topics at the release of the Director General's Environmental Assessment Report Section 751 of the Environmental Planning and Assessment ACT 1979 and dated March 2011.

It should be noted that both the Planning Assessment Commission and the Department of Planning recommended a range of conditions in all assessment areas should consent be given.

Outcomes of assessments

Assessment area	Status	Comment
Central Coast Water Supply	✓	The department considers the risk from the proposal to be minimal and manageable (p 24 DG's EA Report)
Flooding	✓	The department considers measures appropriate for mitigation and management of subsidence-induced flooding impacts (DG's EA Report)
Groundwater	✓	The PAC forms the view that shallow bores into alluvium would not be affected and those in hardrock only slightly and very slowly affected (p 23 DG's EA report)
Surface water impacts around mine facilities	More Work Required	The project does not adequately address potential surface water impacts (Tooheys Road surface facilities site) (Ministerial project refusal March 2011)
Subsidence	✓	Subsidence model characterised as current best practice (p 18 DG's EA Report)
	• Model	
	• Years 1-28	The model has been appropriately calibrated and applied to the eastern part of the site (p 18 DG's EA Report)
• Years 29-42	More Work Required	Consideration of western areas subject to additional information to provide reasonable level of confidence (p 22 DG's EA Report)
Ecology	More Work Required	Additional work required on ecological impacts in western portion of the site (Ministerial project refusal, March 2011)
Heritage	More Work Required	Uncertainty particularly in the western portion of the site (Ministerial project refusal March 2011)
	• Aboriginal	✓
• Non-indigenous		
Air Quality	✓	The Department considers that the proposal can operate and comply with set air quality criteria during construction and operation (p 29 DG's EA Report)
Noise	✓	The department concurs with PAC that noise impact assessment for day/evening/night periods that noise can be adequately managed (p 33 DG's EA Report)

Contact Us

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Newsletter Number 16 - Summer 2012

www.wallarrah.com.au

Wallarrah 2 – jobs and training for Wyong

Like most proposed mining projects, a large proportion of the Wallarah 2 workforce will be sourced from outside the industry and the company will be providing on-the-job training in mine operations and trades for “cleanskins” – new starters in coal mining.

If approved and once fully operational, Wallarah 2 will provide 300 direct jobs for many years and a further 700 indirect jobs supporting the project and the workforce. More than 5,000 job years will be created over the three year construction period.

Employment growth in the mining industry has been very strong averaging around 10% per annum in recent years with approximately 250,000 Australians employed by the industry across the country. Estimates have Australia’s mining industry needing 170,000 new workers over the next 5 years.

“A chronic skills shortage in the mining industry means a large pool of available experienced workers simply does not exist,” said Wallarah 2 General Manager, Kerry Heywood. “This extensive training requirement is one of the largest operational challenges facing the project and the industry as a whole.”

“The days of being swamped with applications from experienced workers are long gone, just ask any of the established mines that are in expansion mode. We would expect a large proportion of the workforce would be cleanskins from the local area – our target is 70% of the workforce to be drawn from the Central Coast/Lake Macquarie region.”

These jobs will provide a welcome and timely boost for the local employment market, given that unemployment is currently 8.5% on the Central Coast.

Importantly, these jobs will be well-paid and provide opportunities for ongoing training and advancement, which will help give young people the opportunity to live and work on the Central Coast. The NSW Government’s 2010 *Coal Industry Profile* reports average wages in the underground coal sector were around \$115,000 in 2009. By contrast, Wyong had an average wage of \$41,000 in 2009 and more than 38 per cent of employed locals commute to other areas for work.

“It is important to remember that these social and economic benefits can be delivered without compromising the environment or water security,” Mr Heywood said. “The independent assessment process is designed so that the community can be confident that the environment is protected in any development decision that is made.”

Wallarrah – a familiar name for generations



Our picture shows workers assembled for a photo at Wallarah Colliery in the 1930s. The Wallarah Coal Company was formed in 1888 and a number of Wallarah Collieries operated in the Catherine Hill Bay and Crangan Bay area up until 2002.

Wallarrah was also the name given to one of the most significant coal seams in the Newcastle Coal Measures and a number of the coastal ships that sailed between Catherine Hill Bay and Newcastle over the last century. While the Wallarah name has been linked with coal mining in the region for more than 120 years, its origins are much older.

It is well known that the word is Aboriginal in origin, but the exact meaning of the word is unclear. Two meanings have been suggested – one referring to a “look-out” and the other to a “mountain kangaroo”.

Since European settlement, the Wallarah name has also been given to a major creek, a suburb, streets, a recreation club and a national park.



Proposal takes step forward

NSW planning requirements issued

The Wallarah 2 Coal Project has taken another step forward with the NSW Department of Planning & Infrastructure issuing its Director General's requirements (DGRs) for the issues to be addressed in the Environmental Impact Statement.

Wallarrah 2 General Manager, Kerry Heywood, said the company was happy to undertake the further work to meet these requirements, which are part of the NSW Government's new independent, merit-based planning process.

"Considerable environmental assessment work has already been undertaken on the project for the previous application and more work is currently underway looking at issues including subsidence, water resources, ecology and archaeology, with a particular focus on the western parts of the project area," Mr Heywood said. "Previous Government-funded independent studies supported the view that the catchment can be protected and now the NSW Government has issued the requirements for a new assessment process that demands even more robust

research and information. The DGRs also request further information on issues such as air quality, noise, transport, on-site water management, biodiversity, and social/economic impacts."

"We will also be conducting comprehensive and in-depth community consultations over the coming months to build a more detailed understanding of community concerns and to explain how the mine and its associated operations will interact with the local community. As our studies progress, we will continue to share the outcomes of this new work with everyone concerned."

Depending on the completion dates of various expert studies, the project team are targeting the completion of the Environmental Impact Statement (EIS) for late 2012 with the EIS on public exhibition by early 2013.

The DGRs are available from NSW Planning & Infrastructure's website www.planning.nsw.gov.au or via <http://tinyurl.com/8yvcgcs> or from the Wallarah 2 office.

New communication group to be formed

Wallarrah 2 Coal Project will establish a community reference group to provide a forum for communication between representatives of the project and the local community during the environmental impact assessment process.

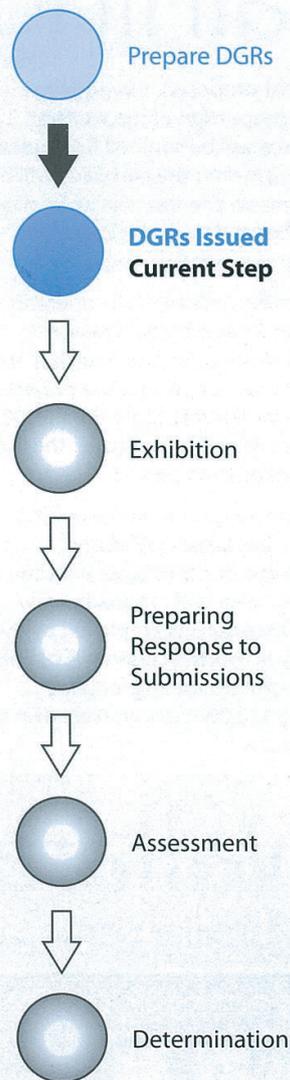
The group will operate under a similar structure to the NSW Department of Planning and Infrastructure's Community Consultation Committees.

We anticipate that the group would meet in the early evenings – generally every 2-3 months – and be chaired by

an independent chairperson. If you would like to be considered for this group, we would welcome an initial expression of interest containing your contact details and previous experience in local community activities. Further information can be obtained by contacting our office.

Contact details: Community Reference Group, Wallarah 2 Coal Project, PO Box 3039 Tuggerah NSW 2259 or email to info@wallarah.com.au or phone 4352 7500.

The planning assessment process

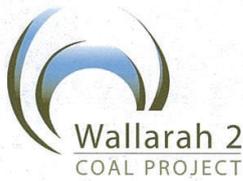


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Newsletter Number 17 - Autumn 2012

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New home to roost



Central Coast Poultry Club and high school students from affiliated agricultural programs inspecting the club's new premises in the "core shed".

The Central Coast Poultry Club have a new home in part of the large drill core storage shed at Wallarah 2's Tuggerah office.

Redevelopment plans for part of the Wyong Showground meant the club was going to lose the base they have occupied for over 100 years.

As well as supporting agricultural studies in 15 local schools, the club holds monthly auctions attracting hundreds of people and its annual poultry show is the second largest in NSW.

The club Show Secretary Mr David Gaggin, said club members were extremely appreciative when Wallarah 2 Coal Project offered the replacement accommodation as the immediate future for the club was looking very uncertain.

Auctions are normally held in the mornings on the 3rd Sunday of each month – with the first scheduled for Sunday 15 April at the club's new Tuggerah venue (25 Bryant Drive). The club would like to invite you to come along.

Open house

There are many ways for members of the community to discuss their concerns or access information about the project and we are now adding another – a series of "open house" sessions. Community input from these sessions will be taken into consideration in completing the new Environmental Impact Statement for the Project.

If you would like to talk directly with project team members you are most welcome to visit the Tuggerah office at 25 Bryant Drive between 2pm and 5pm on any of the following Thursdays.

- 26th April
- 10th May
- 24th May
- 7th June

While you are here you might like to view the storage shed in which core from bores of more than 160,000 metres of drilling is stored. The bores were drilled over a number of years and provide an unequalled understanding of the geology of the mining exploration licence area.

We would welcome a call in advance if there is something special you wish to discuss.

If these dates are not convenient please telephone our offices. We are always happy to make separate arrangements and look forward to your involvement.



Local citizens volunteer for reference group

People from a broad section of the local community have volunteered as members of the Wallarah 2 Coal Project Community Reference Group.

The company established the group after the previous Community Liaison Committee appointed by the Minister for Mineral Resources lapsed and was not reactivated.

The new group is chaired by Ms Margaret MacDonald-Hill, who is well known in the region and was previously the Executive Officer of the Mining Related Councils Organisation.

She is joined on the Reference Group by six Wyong Shire residents as well as

representatives from the Australian Coal Alliance, Darkinjung Local Aboriginal Land Council, Wyong Council and local business community.

Ms MacDonald-Hill said "The newly established Community Reference Group's role is to ensure that there is effective two-way communication throughout the environmental assessment of the Project. The company has information to convey to the community and the community will have views and comments the company needs to hear."

The group will hold regular meetings with the first meeting scheduled for 19 April.

Ms MacDonald-Hill has asked that the company provide the secretariat for the committee and specialists from the Wallarah team to brief committee members from time to time as required.

She said she had been delighted by the response from the community to the calling of expressions of interest to join the group.

"Our members have a wide range of backgrounds and all have an interest in their community. We are fortunate to have them nominate" she said.

Any community issues for consideration by the committee can be registered by contacting the Tuggerah office.

PAC conclusions help understanding of water

The independent Planning Assessment Commission (PAC) drew five conclusions on the impact of longwall mining at Wallarah 2 on the Central Coast water supply.

The full detail of these conclusions appear in Appendix H, pages 29-30 of their 2010 report and read:

The Commission concludes that:

1. The assessment of the likely subsidence impacts on the upland creeks is a function of the mine layout presented in the EA. For the proposed mine layout, the predicted worst case upsidence and closure values could be expected to result in negligible impacts for the Wyong river and Jilliby Jilliby Creek and for the little Jilliby Creek up to the start of LW23N¹
2. Any creek bed cracking that might occur in the steep rocky headwater creeks is unlikely to lead to a significant loss of flow or to have any impacts on the water resource available to supply the Central Coast.
3. There will be negligible long term lowering of the water table in the alluvial valleys as a result of mining.
4. Impacts on baseflow² are likely to be very small, and almost undetectable in the context of normal variability.
5. Any reduction in runoff² due to subsidence is unlikely to be measurable and would not have any significant impact on the Central Coast water supply or cease to pump trigger flows for holders of water access licences.

¹ Longwall panel number 23 north

² Baseflow is the flow in shallow alluvial systems while runoff is the flow on the surface



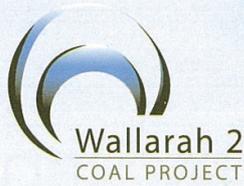
A company weather station that is part of the system of air and water data collection for the project.

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Newsletter Number 18 - Winter 2012

www.wallarrah.com.au

Water monitoring continues



The Wyong Water Study (WWS) was commissioned by the NSW Government in 2010 to determine independently whether there was sufficient data available for assessing the potential impacts of the Wallarah 2 Coal Project.

The WWS concluded that "The baseline information is sufficient for the purposes of undertaking an assessment of the potential impacts of the Wallarah 2 Coal Project". The WWS also concluded that "The amount and quality of data is equal to or greater than for similar areas of agricultural, natural or water supply catchments."

Subsequently the Department of Planning's 2011 assessment found that "the risk to the Central Coast's water supply as a result of the project to be minimal and manageable" and did not consider the water supply to be an issue preventing project approval.

The WWS also recommended that a more detailed monitoring network may be required if the project is approved. In anticipation, the Wallarah 2 Coal Project had already installed five new water monitoring bores during 2010 to provide even further monitoring data on the alluvial water regime across the Dooralong Valley.

Monitoring from these bores commenced in April 2010, over two years ago, and this information will be added to the extensive data set available for evaluation in the new application. The Wallarah 2 Coal Project team is confident that with the data included in the new application the company will have even stronger evidence demonstrating that the region's water supply will be protected.

Details of the Wyong Water Study are available from NSW Planning's website www.planning.nsw.gov.au or from the Wallarah 2 office.

Briefings for representative groups

W2CP has been busy conducting briefings to representative organisations.

Among those briefed have been Wyong Shire, Gosford City and Lake Macquarie City Councils and the Central Coast Water Authority.

General Manager, Kerry Heywood, said the briefings were designed to help councillors and senior officers understand progress on the project in terms of additional studies and planning as required by the Director-General of the Department of Planning and Infrastructure.

"Councillors are very much focussed on protection of the water regimes as is the Wallarah team. I have been able to confirm again that it is our commitment that the only proposal we will put to the Government is a mine plan that protects the water regimes."

"We have spent more than 15 years researching and studying the coal reserves, the local and regional environments and much more. We have an unequalled body of knowledge about the geology of the area and how the water regimes interact."

Some facts and figures

- Exploration commenced in 1995
- Over 160,000m of drillholes
- Over \$90 million expenditure to date
- 5 million tonnes a year deep longwall mining operation
- This is not a coal seam gas project
- Minimal surface footprint/impact
- Around 40 year mine life



Open house and buying local



The core shed at the W2CP facilities is usually the quietest of places as the home of more than 160 kilometres of drilled core but recently it has been the scene of much activity.

As reported in the previous newsletter the shed is now also home to the Central Coast Poultry Club auctions and it has also hosted members of the public attending W2CP Open House sessions.

People attending Open House sessions have had the opportunity to speak with specialists members of the W2CP team about topics as diverse as subsidence, water

management, Aboriginal heritage and employment.

The company also participated in the very successful 2012 Buy Local Festival expo that was held at North Wyong in May. More than 150 people spoke with project team members during the two days.

Visitors at the Buy Local Festival also took the opportunity to talk about a range of topics concerning the proposal. The company recorded more than 20 registrations from businesses and individuals who are interested in providing goods and services and skills during both the construction of the mine and operations.

Step by Step to approvals

The NSW planning approvals process for projects such as the W2CP provides on-going opportunities for community contribution and engagement.

W2CP has established a Community Reference Group of volunteer representatives. Six members of the wider community together with representatives of Wyong Council, NSW Business Chamber Central Coast, Wyong Regional Chamber of Commerce and the Darkinjung Local Aboriginal Land Council are contributing to the group.

The planning process has a number of major formal steps to be completed that include:

- Issuing of Department of Planning and Infrastructure Director-General Requirements (DGRs) in January 2012
- **Preparation of Environmental Impact Statement (EIS) to satisfy DGRs**
- Lodgement of EIS by company
 - Evaluation of EIS by Department of adequacy
- Exhibition of EIS
 - Community comments to Department
 - Responses by company to comments
- Assessment
 - Planning Assessment Commission (PAC)
- Determination by Minister, delegated to a second PAC panel.

There are a number of processes within each of these major steps.

If you would like more information or have a question to ask you are most welcome. Our contact details are below.

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Newsletter Number 19 - Spring 2012

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Project Economic Benefits



Coal from the Wallarah 2 mine will be taken by rail for export from the Port of Newcastle. (photo courtesy Newcastle Port Corporation)

A comprehensive new economic assessment of the project has been carried out for inclusion in the new Environmental Impact Statement (EIS). The economic assessment report contained detailed modelling of the economic impacts of the project on the regional and NSW economies.

The report shows the construction phase of the project is estimated to contribute \$1.09 Billion to the NSW economy over the initial construction period. Throughout this three year period, an average of 370 direct construction employees will be required onsite. On average, a further 510 indirect positions will

also be created in the regional area to support the construction activities over these three years.

The employment impact on the NSW economy is much greater with an average of 1,400 people provided with direct and indirect work throughout this three year construction period.

When in operation, the project is estimated to contribute \$900 Million annually to the NSW economy for the full post construction project life of 25 years.

Over this operational period, 330 positions will be created directly for mining related activities at the mine site and a total of 800 positions created in the regional area. Importantly, once operational, the Wallarah 2 Coal Project is committed to training and retaining a significant proportion of the workforce from within the local area. These jobs will provide a very welcome addition to the local employment opportunities given the high level of unemployment on the Central Coast.

As a result of Wallarah 2, over 1,700 people will be directly and indirectly employed in NSW throughout the project's operational life.

The project is also estimated to make a very substantial contribution to regional, state and federal government revenue bases paying corporate taxation and royalty benefits of \$1.58 Billion over the 28 year Project life.

New Website

The Wallarah 2 team is in the process of implementing a completely new project website. The original website has worked well over the years but is showing its age and was in need of a major re-vamp.

The website serves an important function in providing up to date information about the project that is readily accessible to anyone who is interested. The accessibility of this information will be particularly important as the project moves through the various phases of determination during 2013.

The new website will be live from mid November and progressively updated in the coming months. The address is the same as before – www.wallarrah.com.au



Current Project Status



Data is collected for the Environmental Impact Statement from a monitoring station near Tooheys Road.

The Wallarah 2 Coal Project Environmental Impact Statement (EIS) is currently being finalised, with the expectation that the EIS will be placed upon public exhibition in early 2013. At that stage, the local community and other stakeholders will have the opportunity to review the project documentation in detail and provide comment on the project.

Additional open days will be held during the exhibition period providing further opportunities for any interested person to easily access the project team about specific matters. The dates of these open days will be advertised once the Department of Planning &

Infrastructure schedule the public exhibition period.

As part of the EIS, numerous studies have been undertaken to assess the project's potential impacts and the required environmental management strategies that will be implemented. The studies include impact assessments of:

- Mine Subsidence
- Groundwater
- Surface Water
- Flooding
- Health Risk
- Air Quality and Greenhouse Gas
- Noise and Vibration
- Terrestrial Ecology
- Aquatic Ecology
- Traffic and Transport
- Rail Impact
- Aboriginal Cultural Heritage
- European Heritage
- Visual Impact
- Social Impact
- Economics
- Soils and Land Capability
- Agriculture
- Forestry
- Contamination

While many of the studies presented within the EIS will be quite familiar to those members of the community who have followed the progress of the project, the content and scope of those studies include an increased focus on subsidence and its impacts on ecology and heritage, as well as aquatic ecology, agricultural impact and surface water management associated with the mine surface facilities areas.

Community Foundation

Planning is well advanced for the Wallarah 2 Coal Project Community Foundation which is expected to start in 2013. The Foundation will provide funding for vocational training and a Community Grants Scheme for appropriate community projects.

The vocational training initiative will initially support a number of apprenticeships for local young people in Industrial Trades. Discussions with partner organisations are underway to support the vocational training initiative, with the intent of the apprenticeship scheme being established to start in early 2013.

The objective of the grants scheme is to assist community organisations or groups that have a good volunteer base but are lacking in financial resources. The focus will be on the provision of grants that provide:

- Educational benefits to the community
- Environmental remediation and enhancement projects
- Funding support for specific projects that have long term community benefits

More complete details of the Foundation and the application process will be contained in the next newsletter and also advertised locally.

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4 July 2012



25 Bryant Drive
Tuggerah, NSW 2259

PO Box 3039
Tuggerah, NSW 2259

Phone 02 4352 7500

Fax 02 4353 5699

Email info@wallarah.com.au

Dear Resident,

The Wallarah 2 Coal Project team is presently preparing an Environmental Impact Assessment for a proposed deep underground coal mine under Hue Hue, parts of the Dooralong Valley, Wyong State Forest and surrounding ranges. Surface facilities would be located at Buttonderry for worker access and near Tooheys Road, adjacent to the F3 freeway, for coal rail loading facilities.

We have been providing updated project information via a number of means including our regular newsletters, which I believe you should be receiving. We have also recently held a series of *Open House* community sessions at our Tuggerah offices and participated in the recent Wyong Buy Local Festival. A Community Reference Group, representing a diverse range of stakeholders has been formed and meetings commenced. Project information is available on our website which is being continually updated.

Even so, we appreciate that individual residents may have specific matters they would like to discuss or have more fully explained and I would be most happy to make the relevant staff members available to you should you wish to discuss any matter. We are very flexible and happy to consider whatever arrangements are most suitable for anyone's particular circumstances.

Our contact details are as above and also appear on the newsletters and the website.

Kind regards

A handwritten signature in black ink, appearing to read 'Kerry Heywood', with a long, sweeping horizontal stroke extending to the right.

Kerry Heywood
General Manager